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**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

RICHARD MCBRIDE, JOHN BEVERLY,
VICTOR LAMSON, DONALD TAYLOR,
RYAN FENNAL, MICHAEL VENEZIALE,
THOMAS MONZO, MANUEL
MARTINEZ, DANIEL MITCHELL,
KEVIN CUNNINGHAM, JUAN LOPEZ,
WAYNE GROVE, WILLIAM NEWNAM,
JR., and RYAN SHORT,

Plaintiffs

v.

KLINE CONSTRUCTION CO., INC.,
KLINE CONSTRUCTION CO., INC.
401(K) PLAN, KATHERINE KLINE-
PENATE, J. EDWARD KLINE, and
ROBERT MILLER,

Defendants.

Civil Action No.: 1:19-cv-14275-NLH-JS

JURY TRIAL DEMANDED

**CERTIFICATION OF RONALD
SAMARRO**

I, Ronald Samarro, hereby certify as follows:

1. I am the Chief Restructuring Officer of Kline Construction Co., Inc. ("Kline Construction" or the "Debtor"). This Certification is based on my personal knowledge, information provided to me by the Debtor's employees and its professionals handling the bankruptcy proceedings of Kline Construction, Bankruptcy Case No.: 19-25757 (the "Bankruptcy Case").

2. Kline Construction is in the business of pulling cable and the installation of utility infrastructure throughout New Jersey as well as providing flagman and traffic safety, primarily for road construction projects.

3. In early 2018, Kline Construction retained me to assist in restructuring the finances of the company. As I explained in my Certification that was filed in the Bankruptcy Case, the company's financial difficulties ultimately precipitated Kline Construction to commence a chapter 11 proceeding on August 14, 2019.

4. In the bankruptcy case, on November 8, 2019, Kline Construction entered into an exclusive marketing and sale agreement with Heritage Global, Inc., through its Equity Partners HG affiliate, to serve as investment banker, to pursue a sale of the business as a going concern, and failing such a going concern sale for its affiliate Heritage Global Partners to conduct an auction to liquidate the assets of the Company. On December 4, 2019, the Bankruptcy Court approved the retention of the investment banker and the liquidating auctioneer.

5. Kline Construction intends to pursue a robust sale process to locate a purchaser or investor group. Kline Construction anticipates a sixty to seventy-five day intense process during which Kline Construction will work with the investment banker to prepare due diligence materials and meet and confer with prospective purchasers or investors.

6. Edward Kline, Chairman of the Board of Directors of Kline Construction, and Katherine Kline-Penate need to be accessible to assist with due diligence for the sale process and to support ongoing operations. Kline Construction does not have the resources to respond to discovery requests in this case while pursuing the sale process as operations continue.

7. I am informed that Edward Kline and Katherine Kline-Penate intend to attempt to assert a right to indemnification from Kline Construction under the New Jersey Business Corporation Act.

8. Until the sale process is concluded, I cannot predict whether funds will be available to pay the claims of the Plaintiffs or indemnity claims asserted the Edward Kline and Katherine Kline-Penata. However, I am concerned that facts and legal issues decided in this case while the automatic stay is in place as to Kline Construction could negatively affect Kline Construction's ability to contest the claims in the normal course of the bankruptcy proceeding.

I certify under penalty of perjury that the foregoing statements made by me are true and I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: December 5, 2019

By: 

Ronald Samarro
Chief Restructuring Officer